

Some 59 percent became homeless because of job loss.

A full 10 percent of the city's homeless are believed to be able to return to self-sufficiency with 12–18 months of assistance and affordable housing.

Shelter and housing for Houston's homeless currently is reported at around 4,235 beds and or units, leaving 10,000 on the streets.

I have cosponsored a number of bills to address the housing crisis in this country. In the 109th Congress I cosponsored H.R. 1182, the Prohibit Predatory Lending Act, and H.R. 1994, the Predatory Mortgage Lending Reduction Act. I will continue to support legislation to address the housing crisis facing the people of this country.

This important piece of legislation will “create a licensing system for residential mortgage loan originators, establish a minimum standard requiring that borrowers have a reasonable ability to repay a loan, and will attach a limited liability to secondary market securitizers.” This is extremely significant in the sense that it will ensure that Americans who dream of home ownership will not engage in loans that they will be unable to repay. It will enhance and expand consumer protections against “high-cost loans.” It will protect renters of foreclosed homes and establish through the Department of Housing and Urban Development an Office of Housing Counseling that will ensure that consumers will be fully aware of all possible avenues.

While this legislation is a step in the right direction, we must ensure that this legislation does not hurt those who it is intended to protect. We must ensure that families with a less-than-perfect credit history are not denied outright their dream of home-ownership and that lenders do not abuse their discretionary powers. This legislation creates a standard licensing system for residential mortgage loan originators that will ensure a consistent rubric for loans and protect American families from would-be predatory lenders. It further expands consumer protections from high-cost loans by: prohibiting the financing of points and fees; prohibiting excessive fees for payoff information, modifications, or late payments; prohibiting practices that increase the risk of foreclosure, such as balloon payments, encouraging a borrower to default, and call provisions, and requiring pre-loan counseling. This is an unprecedented step forward for hard working Americans with the dream of home-ownership and I applaud this legislation for this significant first step towards helping Americans realize their dreams.

Finally, let me acknowledge the concerns of strong advocates for the housing needs of the vulnerable—ACORN and the NAACP, among others, and I look to working on changes in this legislation as the bill moves to address their concerns.

Mr. CAPPS. Mr. Chairman, I rise today in strong support of the Mortgage Reform and Anti-Predatory Lending Act.

This bill continues the Democratic-led Congress' efforts to protect and promote the American Dream of homeownership.

We can now see clearly that questionable and even discriminatory lending practices were a part of the real estate “boom” in our country.

In my district, these unscrupulous practices will result in about a half billion dollar loss in home equity for my constituents.

This translates into over 80,000 homes devalued and the certainty of foreclosure for many.

That is 80,000 families that entered into their mortgage contracts in good faith.

They did not anticipate that all of their hard work would be wiped out with one interest rate hike.

Many nonprofits and other economic development groups in my district, like the Cabrillo Economic Development Center, have stepped up to help these families restructure their loans and keep their homes.

And I am happy to say that today the House will do its part to stop harmful predatory lending practices.

This bill will create minimum standards for mortgage loan originators, and require the determination that a consumer has a reasonable ability to repay their loan.

Importantly, it also discourages “steering” a consumer toward a higher-cost loan when they in fact qualify for a lower interest rate.

Mr. Chairman, I urge my colleagues to support this important bill and put our families back on track to achieving the American Dream.

Ms. LORETTA SANCHEZ of California. Mr. Chairman, I rise in support of H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act of 2007.

H.R. 3915 restricts the harmful mortgage lending products that have wreaked havoc on our local communities.

In my district in Orange County, California, the cities of Anaheim and Santa Ana are feeling the effects of irresponsible lending practices that resulted in numerous foreclosures.

One-third of the homes on the market in those cities are available because they were foreclosed on.

Borrowers who will only purchase a home once or twice in their lifetimes should not be blamed for the current situation.

Through the licensing of mortgage loan originators, the establishment of loan origination standards, and the enhancement of consumer protections, H.R. 3915 takes appropriate steps to stop predatory lending practices without placing an undue burden on responsible mortgage originators and lenders.

These new standards will provide needed safeguards without preventing potential homebuyers from obtaining loans.

Eventually, the financial services industry will recover from the current mortgage crisis, and we must ensure that the predatory practices of the past are not repeated in the future.

Mrs. JONES of Ohio. Mr. Chairman, I rise in support of H.R. 3915, The Mortgage Reform and Anti-Predatory Lending Act of 2007. For the past 8 years I have introduced the Predatory Lending Practices Reduction Act, which seeks to establish a mortgage licensing system for mortgage brokers. It also provides grants to nonprofit community development corporations to educate and train borrowers and community groups regarding illegal and inappropriate predatory lending practices.

I am pleased that H.R. 3915 incorporates language from my bill that establishes a nationwide mortgage licensing system and registry to license and register individual mortgage brokers, and register bank employees that originate mortgages. I believe that brokers should be prohibited from being the original provider of loans, loan originators, without having first obtained, and continue to maintain, registration within the NMLSR.

This legislation has been warranted for a very long time. I have been preaching about this issue since I came to Congress as a member of the Financial Services Committee. We are facing a national housing crisis and without this legislation, the problem will only get much worse.

The nonprofit Center for Responsible Lending projects that as this year ends, 2.5 million households in the sub-prime market will either have lost their homes to foreclosure or hold sub-prime mortgages that will fail over the next several years. These foreclosures will cost homeowners as much as \$164 billion, primarily in lost home equity.

In Ohio, and particularly in my congressional district, the problem has gone from bad to worse with nearly 42 percent of loans generated in the past year being sub-prime, and an estimated one in six sub-prime loans in the district will ultimately end in foreclosure. These sub-prime foreclosures will result in price declines for more than 198,000 surrounding homes, with homeowners in my district losing about \$249 million in equity.

Mr. Chairman, I commend Chairman FRANK and the Financial Services Committee on their hard work and commitment to this issue. I am glad to see this bill on the floor today, and I urge my colleagues to join me in supporting this meaningful and necessary legislation.

Ms. WATERS. Mr. Chairman, I rise in support of the Mortgage Reform and Anti-Predatory Lending Act of 2007. Each month brings new figures that reinforce the importance of putting in place a Federal legislative and regulatory framework that prevents us from reliving this crisis in the mortgage markets. I have a keen interest in this legislation because of the disproportionate impact of the foreclosure wave on my home State. California's third-quarter foreclosure rate of one foreclosure filing for every 88 households ranked second highest among all States, and reflects a near quadrupling of the number reported for the same period last year. Five of the top 10 metro areas in foreclosure filings are in California.

Clearly, we need to prevent the now widespread practice of getting people into loans they can't afford. H.R. 3915 takes critical steps in this respect, including—for the first time—imposing a Federal duty of care on all mortgage originators and setting minimum Federal standards on all mortgages. Anchoring the bill's approach are newly established minimum standards regarding the borrower's ability to repay and net tangible benefit to the consumer. This is a sound strategy given that Federally regulated mortgage originators have long had to meet similar benchmarks, and not coincidentally, we have seen few problems in that sector of the market.

H.R. 3915 also seeks to reduce the incentives to market inappropriate credit products to borrowers. I am particularly pleased that H.R. 3915—again for the first time—removes the most destructive of such incentives, severing the link between the compensation of the originator and the terms of the loan. Minority borrowers have been disproportionately steered to costly loans, in part because the fees such loans generate for originators are higher than more appropriate products. H.R. 3915 correctly prohibits this practice outright.

I am proud to have been an original cosponsor of this ambitious legislation, and urge my colleagues to support its passage today.